

**CITY OF SHORELINE**

**SHORELINE CITY COUNCIL  
SUMMARY MINUTES OF SPECIAL MEETING**

Monday, March 5, 2012  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

**PRESENT:** Mayor McGlashan, Deputy Mayor Hall, Councilmember Eggen, Councilmember McConnell, Councilmember Roberts, Councilmember Scott, and Councilmember Winstead

**ABSENT:** None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor McGlashan, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor McGlashan introduced the members of the Shoreline/Lake Forest Park Girl Scout Service Group 510, who presented the flags and led the audience in the pledge of allegiance. Upon roll call by the City Clerk, all Councilmembers were present.

3. CITY MANAGER'S REPORT

Julie Underwood, City Manager, provided reports and updates on various City meetings, projects, and events.

4. COUNCIL REPORTS

Deputy Mayor Eggen reported on a SeaShore meeting, where they approved five project proposals for recommendation to the Puget Sound Regional Council (PSRC). He noted that two of the proposals are from the City of Shoreline. One proposal was for more funding for the Aurora Corridor Project between 192<sup>nd</sup> to 205<sup>th</sup> Avenue North and the second was for planning on 145<sup>th</sup> Street.

Mayor McGlashan noted that the Council retreat went well and the new Council Goals will be released in a couple weeks.

5. PUBLIC COMMENT

- a) Carrie Kovacevich, Shoreline, expressed concerns about the proposed accessory dwelling unit (ADU) regulations and felt they don't sufficiently protect the quality of neighborhoods.
- b) Mark Plummer, Shoreline, expressed support for proposed ADU regulations because it allows adequate size of residential units and increases density in the City.
- c) Charlotte Haines, Shoreline, said the City cannot afford the acquisition of 145th Street when the City is using cheaper ways to resurface streets now, coupled with the serious maintenance issues on other City arterials.
- d) Wendy DiPeso, Shoreline, questioned if the City Manager would lose her job if she recommended against acquiring the Seattle Public Utility (SPU) water system, which is a Council Goal. She also discussed increased levy taxes from the Ronald Wastewater District (RWD) and Shoreline Water District (SWD).
- e) Diane Pottinger, District Manager, Shoreline Water District, discussed the Saving Water Program, rate projections through 2014, and the acquisition of the SPU water system.
- f) Lisa Baird, Shoreline, expressed concern about ADUs and changes to the neighborhoods from single family to multi-family.

Ms. Underwood explained that an assertive expression of Council Goal #7 allowed the City to negotiate with the City of Seattle. She concluded that the ultimate decision maker on SPU acquisition is the voters of the City of Shoreline. Councilmember Hall confirmed that the City is not taking over Shoreline Water District and it has never been a goal. Deputy Mayor Eggen added that the Council has consistently maintained that the acquisition of SPU has to make sense in order to proceed.

## 6. APPROVAL OF THE AGENDA

**Upon motion by Councilmember Hall, seconded by Councilmember Winstead and carried unanimously, the agenda was approved.**

## 7. STUDY ITEMS

- (a) Update on Council Goal No. 7 - Acquisition of Seattle Public Utilities Water System in Shoreline - Due Diligence Review

Mark Relph, Public Works Director, reported on the various elements comprising the Due Diligence Review for acquisition of the Seattle Public Utilities water system in Shoreline. He discussed the Steering Committee, whose task is to review and comment on the engineering and financial analysis prepared by EES Consulting. He said the City Manager-appointed committee began meeting approximately every three weeks since January and will meet through late June. The committee is facilitated by Milenko Matanovic of the Pomegranate Center, a non-profit organization that has been used in the past by the City of Shoreline for the development of the

Sunset School Master Plan. As of this date, the draft preliminary engineering report has been completed by EES and submitted to the committee. This report, said Mr. Relph, will become final as additional information from SPU becomes available and after the committee makes their review and comment.

Mr. Relph said as the committee reviews and discusses the revenue assumptions, the draft preliminary engineering report, and other additional information; the financial model will be further developed. The committee's goal is to complete their work and make a recommendation to the City Manager by the spring of this year. He noted that the contract with SPU (i.e. City of Seattle) is anticipated to address such issues as the final contract price, including the level of system maintenance until the City would take ownership, how the wholesale water contract would be addressed, any services the City may still contract with SPU after ownership (permanently and/or temporarily), separation of the two systems, and so on.

Continuing, Mr. Relph pointed out that all of the due diligence work, the committee review, and the draft SPU contract is anticipated to be completed by the spring of this year. At the conclusion of this work, the City Manager will review the recommendation of the committee, the draft contract with SPU and supporting information to make her own recommendation to the City Council as to whether or not to proceed with the acquisition which is anticipated to be complete and submitted to the City Council by late spring or early summer 2012. If the City Council moves forward with the acquisition, the Council would have to approve the agreement and forward it to the City of Seattle. Approval by Seattle City Council, he explained, would then allow the Shoreline City Council to set the ballot language sometime this summer for a vote of the entire City in November 2012. If Shoreline voters approve the acquisition, then the City would move to the last phase of the project. He pointed out that detailed development of a transition plan to move the utility from the City of Seattle to the City of Shoreline would begin and that the City is committed to an extensive public process, which will occur over the next six months. Mr. Relph stated that it is important for the residents and SPU to share details and the City is soliciting input on the level of water service problems. He added that the CIP, maintenance, rates, and expectations on customer service will be important to determine in order for a proposed budget to meet the public expectations and ultimately the financial parameters established by Council. He added that there will be many opportunities for public participation including working with the committee, neighborhood, business, and civic group meetings, open houses, and other workshops. Information concerning this item will be distributed to neighborhood newsletters, *CURRENTS*, the City's cable channel, direct mailers to the affected rate payers and all the citizens of Shoreline, and through formal public hearings.

Councilmember Winstead confirmed with Mr. Relph that there are approximately 16,000 Shoreline homes served by SPU, or two-thirds of the City.

Mr. Relph replied to Deputy Mayor Eggen that the final report to the Council will have a margin for error in the cost estimates and two subcommittees formed which will have their meetings open to the public.

Deputy Mayor Eggen also discussed a flushing program to avoid stagnant water in the system. Mr. Relph explained that the modeling will help the City know what to expect. He added that there is no existing flushing system.

Councilmember Roberts discussed the criteria for assumption and that the report suggests nominal rate increases. He asked if the City is confident about SPU's rate increases over next few years. Mr. Relph replied that there are issues that the water utility is trying to manage and the rates seem reasonable based on them. Mr. Relph responded to Councilmember Roberts and said that the facility itself is not quite ready for emergencies, contingencies, and monitoring, and the engineering report reflects that there needs to be some upgrades throughout the entire system. Councilmember Roberts inquired about water storage requirements. Mr. Relph replied that page 22 of the staff report discusses the five types of water storage and necessary amounts. He added that it is a Department of Public Health standard, not a regulation which helps water utilities plan and manage issues. Our case is unique, he said, because the current way to manage the tank is to have someone push a button to turn the pumps on and off. He said making the proposed upgrades will efficiently increase storage capacity and the amount the facility can pump. He discussed adding back-up power. He said all these issues will be considered by the committee, along with the issues identified by the Fire Department.

Councilmember Salomon confirmed with Mr. Relph that inflation, investments in the water supply system, and debt coverage are drivers for the increase in rates. Mr. Relph stated that cost savings will come in the future, and more details will be available to the Council in April.

Deputy Mayor Eggen discussed SPU's water supply investment and said the costs will be reflected in cost of the water supply. Mr. Relph concurred. Deputy Mayor Eggen thanked the City Manager for including many of the City's experts on the committee.

Mayor McGlashan questioned if the sheet passed out by Ms. Pottinger is fully comparable and does not include the surcharge applied by SPU to Shoreline citizens. Mr. Relph replied that he has not reviewed the sheet and would provide a response to the Council concerning the sheet. Mayor McGlashan discussed fire hydrant maintenance and confirmed that no maintenance is occurring. Mr. Relph replied that a discussion will occur with SPU soon and the City will seek to have hydrant maintenance done by the utility. Mayor McGlashan discussed the power outage support from the Bitter Lake pump station and Mr. Relph confirmed that the City would lose that backup power support if the City assumes SPU. He added that a discussion on what the remaining SPU system would look like needs to occur. Mayor McGlashan discussed the existing storage tanks and what uses they would have. Mr. Relph explained that the two million gallon tank would need to be refurbished and the one million gallon tank would be set aside for backup. There was discussion about the Department of Health storage requirements. Mr. Relph replied that SPU would only own their 145<sup>th</sup> water main and the Foy standpipe after the SPU acquisition is completed.

RECESS

**At 8:36 p.m., Mayor McGlashan called for a five minute break. The meeting reconvened at 8:45 p.m.**

(b) Discussion of Development Code Amendments

Rachael Markle, Planning and Community Development Director, and Steve Szafran, Associate Planner, provided the background and rationale for the proposed development code amendments. Mr. Szafran discussed the amendment and its purpose which is to bring conformity with the Comprehensive Plan, to respond to changing conditions or needs of the City, and to comply with State law. He noted that there are 18 proposed amendments, most of them procedural in nature. The main amendment concerned ADUs and it allows ADUs to be more than 50% of the size of the main unit. He pointed out that the Planning Commission unanimously approved the amendments.

Deputy Mayor Eggen discussed frontage improvements and the fees-in-lieu-of frontage improvements program. Ms. Markle replied that this amendment closes a loophole and catches the frontage improvements. She noted that some projects are eligible for the fee-in-lieu-of program. Responding to Deputy Mayor Eggen, Mr. Szafran confirmed that portable signs and real estate signs are allowed, but the sandwich "A" frame boards are not.

Councilmember Salomon questioned if a new ADU would require frontage improvements or if it would be a fee-in-lieu-of situation. Mr. Szafran responded that anytime there will be more than one dwelling unit per parcel, frontage improvements are required.

Councilmember Roberts agreed with the amendments as proposed. He added that ADU comments warrant further consideration of the issue. He suggested the Planning Commission review the ADU code again. Councilmember Winstead concurred and said it sounds like something is not working. She said she has serious concerns, but is fine with the amendments. She said she would like the Planning Commission to take another look at it.

Councilmember Hall noted that some people are using ADU and family definition to turn houses into apartment buildings. He preferred to look at it in the context of how much the Council wants to accommodate that growth through ADU versus multi-family development.

Councilmember McConnell referred to a controversial case in which a Richmond Beach home was converted to an ADU. She said she would like to revisit the code and determine how these things occur. Ms. Markle responded that such problems could be prevented through single family design standards.

Deputy Mayor Eggen expressed concerns about abuses of the ADU provisions, but also sees the value in some situations. He then asked about development code amendments in general. Mr. Szafran stated that the process for bringing development code amendments to the Council is to bring packages of development code amendments as opposed to one at a time. Deputy Mayor Eggen concurred that the Council should address ADUs in the future.

Councilmember McConnell inquired how the other Richmond Beach structure could have been prevented, to which Ms. Markle replied that it is legal as a single family home, but utilizing it as an ADU is illegal. Ms. Markle added that if this amendment is adopted, that attached, second-

story garage structure owner could apply for an ADU. Deputy Mayor Eggen confirmed that the discussion was about the unit in the comment letter. Ms. Markle noted that the intent of the amendment is to promote an existing home with an upstairs and downstairs, not to allow owners to build something new and convert it into an ADU.

Ms. Markle explained that the issue is how to define “attached,” and the City staff can work on it.

Deputy Mayor Eggen said he is leery of retroactive code changes and asked how this will affect permit applications. Mr. Szafran highlighted that applicants would have to reapply. In this case, applicants are waiting to reapply for the ADU regulations.

There was further Council discussion about ADUs. The meeting concluded with City Manager Underwood informing the Council that the City staff will work on appropriate language for the City Council to review and approve.

## 8. ADJOURNMENT

At 9:28 p.m., Mayor McGlashan declared the meeting adjourned.

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Scott Passey, City Clerk